

Role of Women in Entrepreneurship Development

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Abstract

During the last three decades, Indian women have entered the field of entrepreneurship in increasing numbers. With the emergence and growth of their businesses, they have contributed to the Indian economy & society. These women entrepreneurs have entered many industries and sectors. Many of the earlier obstacles to their success have removed, yet some remain. Further, there has been much progress in the training and development of women entrepreneurs within public policy and academic programs.

This paper examines issues like why do women undertake entrepreneurship in India? What factors influence the strategic growth of women-owned businesses in India? What are the characteristics of Indian women entrepreneurs and their businesses? What have been the greatest obstacles and challenges for women entrepreneurs in India? The last part of paper gives some suggestions and conclusion for entrepreneurship development in India.

Keywords: Mandatory provision • Government provision • Sustainability provision • Company policy • Legal provisions

Introduction

During the last two decades, Indian women have entered the field of entrepreneurship in greatly increasing numbers. With the emergence and growth of their businesses, they have contributed to the global economy and to their surrounding communities. The routes women have followed to take leadership roles in business are varied. Yet, most of women business owners have overcome or worked to avoid obstacles and challenges in creating their businesses. The presence of women in the workplace driving small and entrepreneurial organizations creates a tremendous impact on employment and business environments [1].

Indian women business owners are changing the face of businesses of today, both literally and figuratively. The dynamic growth and expansion of women-owned businesses is one of the defining trends of the past decade, and all indications are that it will continue unabated. For more than a decade, the numbers of women-owned businesses have grown at one-and-a-half to two times the rate of all businesses. Even more important, the expansion in revenues and employment has far exceeded the growth in numbers [2].

The result of these trends is that women-owned businesses span the entire range of business life cycle and business success, whether the measuring sticks is revenue, employment or longevity. This strengthens the view that all governmental programs and policies should target at strengthening women's entrepreneurship in their native lands [3].

Although, many of the earlier obstacles to women's business success have removed, yet some remain. This has initiated the scholars of entrepreneurship and small businesses to study the influences of and the impact on business ownership by women. The numbers of these research studies are growing steadily [4].

Methodology of the study

This paper is a literature review on the recent progress made in the field of women's entrepreneurship in India by examining the following objectives.

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1. To study the characteristics of women entrepreneurs in India.
2. To know why Indian women undertake entrepreneurship.
3. To examine the trends visible in women entrepreneurship globally.
4. To understand the needs of women entrepreneurs in India.
5. To know the important problems faced by women entrepreneurs in India.
6. To evaluate the challenges faced by women entrepreneurs.
7. To understand steps need to initiate for women entrepreneurial development in India.

Characteristics of Women Entrepreneurs in India

Indian women of today have taken many strides towards business ownership. The broad classification of women business owners include women who establish, inherit, or acquire a business; women who start businesses with spouses or business partners but are either at the forefront or behind the scenes; and finally, women who start fast-growing or part-time or slow-growing firms. Although earlier researches on women entrepreneurs have suggested that significant differences existed between female and male entrepreneurs. However, more recent studies have shown that there are far more similarities than differences between women and men entrepreneurs in terms of psychological and demographic characteristics. The dominant predictors of success in case of women entrepreneurs are work experience and years of self-employment [5].

Generally, women view their businesses as a cooperative network of relationships rather than as a distinct profit-generating entity. This network extends beyond the business into the entrepreneur's relationships with her family and the community. Certain cross-cultural studies on women entrepreneurs have reported that their management styles emphasize open communication and participative decision-making, and their business goals reflect a concern for the community in which the business operates [6].

A series of researches have shown that the workforce of women-owned businesses tend to be more gender balanced than the workforce of men owned businesses, although women business owners are more likely to hire women [7]. Put simply, an investment in women's entrepreneurship is an investment in the economic independence and well-being of all women. In comparison to their women counterparts who established their businesses three decades earlier, women who have started their businesses sometime during the past decade are more likely to have the following:

- A higher level of education, previous professional and managerial experience, as well as executive level experience
- A greater appetite for capital, both credit and equity
- A strong motivation for autonomy and achievement
- A dynamic personality
- A passion for what they do
- Creativity to innovate and implement
- Independence and self-reliance
- High self confidence
- Willingness & ability to take risks
- Alertness to opportunities
- Ability to marshal resources
- Ability to respond to market & environment signals

Thus, from the above discussion, we can conclude the following traits of personality of women entrepreneurs:

Why Indian Women Undertake Entrepreneurship

In spite of the growing number of female entrepreneurs, the share of female entrepreneurs is still significantly low when compared to their participation rate [8]. However, there are several factors responsible for increasing the level of female entrepreneurship in India:

1. Nature of Entrepreneurship: Women enter into entrepreneurial activity because regular employment does not provide them with the flexibility, control or challenge offered by business ownership.

2. Motivation: Several evidences suggest that women do not lack the motivation to enter into business ownership. They are often highly motivated than their male counterparts to overcome the barriers to business start-up.

3. Empowerment: Indian women are becoming more empowered now a day. Legislations are progressively draft to offer them more opportunities at various levels.

4. Social Conditions: Population growth results in a strong positive relationship on entrepreneurial activity. Across genders, the increase in demand and competition for jobs pushes more people into necessary entrepreneurship. For women, in particular, the relatively high involvement in necessary entrepreneurship indicates that self-employment is use as a way to circumvent institutional and cultural constraints with respect to female employment, as well as a way to provide supplemental family income.

5. Economic Conditions: Auspicious economic conditions favor the participation of women in entrepreneurial activity. The smaller amount of financial capital requirement and higher proportion of available bank loans positively correlates the level of female entrepreneurship to economic conditions. In fact, in a country like India, the relationship between the size of unofficial economy and entrepreneurial activity is positive.

6. Literacy & Education: An increased level of education has played a crucial role in initiating the process of entrepreneurship. It is not only the illiterate, that are starting the businesses but also with education & skills are exploiting profit opportunities.

Trends Visible In Women Entrepreneurship Globally

Information about women entrepreneurs keeps comparatively little knowing about women business owners particularly in developing countries. Research

has shown that women-owned firms comprise between one-quarter and one-third the businesses in the formal economy and are expect to play an even larger role in informal sectors [9].

In various studies of entrepreneurial behavior, women have expressed optimism about the future of their businesses and about their role in the economy. In the words of a Polish Business Owner, "I have full control of my business. I approach every problem differently and it is challenging. You have a feeling that you are creating this country."

In India, women's' entry into business is a new phenomenon. It can be traced out as an extension of their kitchen activities mainly to 3Ps viz Pickles, Powder & Pappad. But with growing awareness about business and spread of education among women over the period, they have started shifting from 3Ps to engross to 3 modern Es viz Engineering, Electronics & Energy. They have excelled in these activities. Women entrepreneurs manufacturing solar cookers in Gujarat, owning small foundries in Maharashtra, or manufacturing capacitors in Orrisa have proved beyond doubt that given the opportunities, they can excel their male counterparts.

In case of Poland, it was finding that women entrepreneurs usually begin their businesses to escape unemployment and to gain independence in decision-making. Although male entrepreneurs in Poland face many of the same barriers faced by women entrepreneurs, but the most important barrier to women's participation in Poland's private sector has been the view that women are less pre-destined than men to manage and participate in the country's economic life because of their family obligation.

Bhutan is in the process of transition where more and more women are pursuing higher education and becoming professional/entrepreneurs, but they are still at the nascent stage where exposure to the outside world is limited. Grants received by National Women's Association of Bhutan for the development of women entrepreneurs is utilize to encourage them to plunge into self-employment and for education & training of upcoming women entrepreneurs. The follow-up of this exercise is that the trained entrepreneurs are expecting to encourage and train new entrepreneurs.

Female entrepreneurs in the United States of America enter into business because they want to be in charge of their own destiny or they need more flexibility or are dissatisfied with an unhappy work environment or they have been unchallenged by their present job.

Needs of Women Entrepreneurs in India

1. More and better access to finance/credit is mention very frequently. Give a woman 1000 rupees and she can start a business. Give her another 1000 rupees and she will be able to feed not only for her family, but for her employees as well.
2. Access to business support and information, including better integration of business services
3. Training on business issues and related issues
4. Better access to local and foreign markets
5. Day care centers & nurseries for children, and also for the elderly;
6. Positive image building and change in mentality amongst women, whereby women see themselves as capable achievers and build up confidence.
7. Breaking through traditional patrons and structures that inhibit women's advancement
8. Role modeling of women in non-traditional business sectors to break through traditional views on men and women's sectors.
9. More involvement and participation in legislation and decision-making processes
10. Removing of any legislation, which impedes women's free engagement

11. Awareness rising at the governmental as well as private level truly and really create entrepreneurial opportunities and not just programs that stay on paper.

Important Problems Faced by Women Entrepreneurs in India

1. Women hardly interact with other women who are successful entrepreneurs. This results in a negative impact on their networking skills.
2. The areas, where one can see women acting as entrepreneurs, are in the very typical women's sectors of 3Ps. This is also the area, where women are, accept in society to be experts in and thus have the capacity for entrepreneurial activities.
3. It is clear, that women have the responsibility of getting children and taking care of them. Very few societies accept fathers taking over the role of staying home and taking care of the children. Once these children are old enough to take care for themselves, they have to bear an additional responsibility of taking care of elder parents. If they want to become entrepreneurs, the society expects them to be able to do both: take care of family and home and do business.
4. Women are very critical when it comes to them – can I really do this, am I good enough, maybe I have to learn more, others can do it better. It is quite interesting that many successful women have been educated in only girl's colleges and schools, which often deliver a safe environment to try out ones personal strengths, learn to overcome weaknesses and be proud of one.
5. Discrimination it is hard to believe but women still treated differently in our society. Women do get lower salaries compared to men doing the same job; women do not have access to men dominated networks who take their decisions about successors in the company during golf plays or sauna meetings.
6. Missing network through century's businesspersons have build up their networks but women still have to learn to catch up.
7. A lot of women tell stories about not being taken serious by bankers, when they wanted to get a loan for their business. Often enough, they have to bring their husbands or fathers to be able to heard and receive financing. Therefore, the domination of men in the banking world is a problem.

Challenges Faced by Women Entrepreneurs in India

One of the major obstacles faced by women entrepreneurs have been that they not taken seriously. Even though women have achieved credibility as competent entrepreneurs in areas such as retail, personal services and business services, perceptions that women-owned businesses are less successful, credit worthy & innovative continues to be a barrier. Besides this, there are several other challenges being face by Women Entrepreneurs:

1. Lack of Visibility as Strategic Leaders: Changing the perceptions about the likely success of women-owned businesses depends on increasing women's visibility in leadership positions within the greater business community. In an assessment of women's presence as CEOs or Directors of large business enterprises, it has anticipate that, the exodus of women to entrepreneurial growth firms might be because of women believe that have greater representation in strategic leadership positions in privately held or family-owned firms as they provide better opportunities for leadership that available to women in publicly traded companies.
2. Differential Information and Assistance Needs: Another significant need of many women business owners is obtaining the appropriate assistance

and information needed to take the business to the next level of growth. In a study conducted to gather information needs of women entrepreneurs, those who were just starting their ventures, requested assistance and training in implementing the business idea, identifying initial sources of financing, and advertising/promotion. The entrepreneurs, who were already established, had a somewhat different set of needs including financing for expansion and increasing sales.

Another conducted study had identified ten most desired needs of fast growth entrepreneurs:

- Using cash flow to make operational decisions
- Financing growth
- Increasing the value of the business
- Compensation for self and associates
- Hiring, training and motivating for growth
- Succeeding in a rapidly changing world
- Successful selling
- Sales force management
- Management success
- Problems and pitfalls of growth

Unfortunately, these differences in information and assistance needs can found across cultures as well.

3. Family Influences on Women Entrepreneurs: The overlapping of the family and the firm is not significant for women business owners. Unfortunately, little research has conducted on the dynamics of family-owned firms headed by women. As the boundaries between the firm and the family tend to be indistinct, women operating family businesses face a unique set of issues related to personal identity, role conflict, loyalties, family relationships, and attitudes towards authority. Additionally, family businesses owned by women are at a disadvantage financially and forced to rely on internal resources of funding rather than outside sources. The critical role of family in business also emerges in cross-cultural studies, which show a women relying heavily on the family for start-up capital.

Steps need to be Initiated for Women Entrepreneurial Development in India

A possible set of three inter-linked and inter-dependent clusters of recommendations can aimed at "pushing" a larger number of women entrepreneurs towards growth opportunities, unlocking their potential as creators of wealth and jobs, and providing a more conducive legal and regulatory framework. These recommendations can also ensure the proper positioning of "pull mechanisms" to enable the growth-oriented women entrepreneurs to expand and grow in terms of investments, markets and profits.

1. Prioritizing and pushing at the micro-level: There is a large and seemingly ever-increasing number of women entrepreneurs operating in micro-enterprises and in the informal economy. They can facilitate to grow into sustainable, formally registered & large enterprises with the help of following actions:-

- Conducting gender analysis for all entrepreneurial support programmer
- Gathering data on women and men entrepreneurs
- Applying "target group segmentation" to women entrepreneurs
- Using targeted approaches for priority categories in order to provide additional "push" to women entrepreneurs to the next level of growth

- Promoting mobilization and organization of representative associations
 - Examining differential impacts of governmental policies, programmers and actions
 - Promoting development of demand-led supports for women entrepreneurs
 - Promoting more flexible and innovative financial products by banks
2. Unlocking and Unfettering Institutional Framework: Policies, laws and overall regulatory environment frequently seen as barriers and disincentives to expansion and growth. However, they need to be promoting in such a way that woman entrepreneurs see the advantages of and benefits that come with compliance.
- Reviewing impact of existing and new instruments on women entrepreneurs
 - Identifying those instruments that act as barriers to expansion and growth
 - Modifying or dismantling these instruments
 - Taking account of the social and cultural contexts affecting policy implementation and redress inequalities and abnormalities
 - Making use of IT and associations so as to minimize the administrative burdens on women entrepreneurs
 - Holding regular consultations with key factors like women entrepreneurs, women entrepreneurs' associations, financial institutions, etc, to review progress and identify new bottlenecks
3. Projecting and Pulling to Grow and Support the Winners: The first two sets of recommendations are aim at trying to "push" more women entrepreneurs into growth situations as well as ensuring that laws & regulations do not stand in their way. The third possible recommendation relates to facilitating and "pulling" the women entrepreneurs into situations where they can actively pursue growth strategies.
- Providing incentives for expansion and growth after removing barriers and disincentives
 - Encouraging and rewarding dynamic representative associations of women entrepreneurs
 - Promoting strong links and synergies with existing major economic players
 - Profiling the economic and social contributors among women entrepreneurs to the national economy
 - Promoting and rewarding programmes that serve women entrepreneurs
 - Making full use of data gathered to inform new policies, programmes and supportive actions

- Ensuring synergies between (a) women related ministry (b) economic ministry (c) welfare & social development ministry in the government.

Conclusion and Suggestions

With relevant education, work experience, improving economic conditions and financial opportunities, more women around the world are creating and sustaining successful business ventures. This will not only have an impact on the economies of the countries in which women own their businesses but also will change the status of women in those societies. It is likely that, as we begin this millennium, this will be the century of the entrepreneur in general and of the women entrepreneur in particular.

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